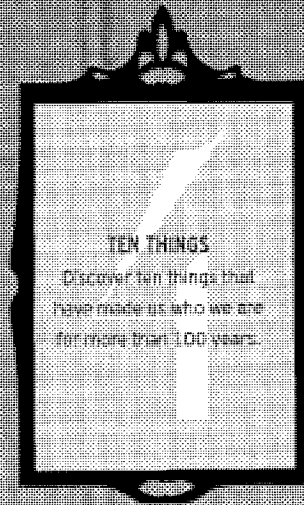
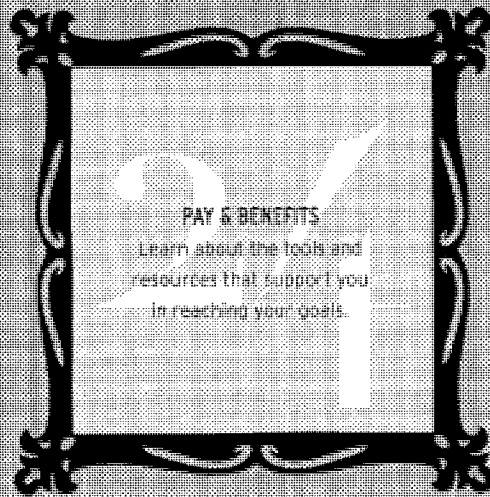
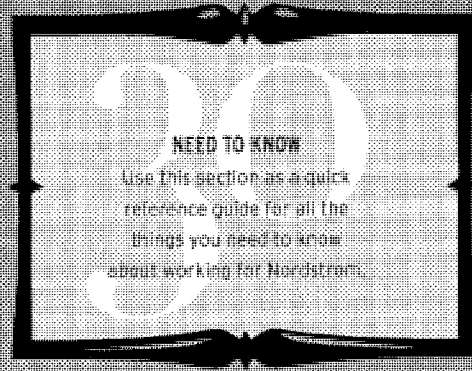


# EXHIBIT 2



## CONTENTS





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**Exhibit 2**

## RESOLVING OUR DIFFERENCES, TOGETHER

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### **Open Door & Dispute Resolution**

At Nordstrom, we'd like you to know that you can feel free to talk to us. We're always open to hearing from you, answering your questions or discussing any work-related concerns you may have.

The Nordstrom Dispute Resolution Program was designed to make it easier to help you discuss your concerns and resolve them fairly and directly - without having to resort to a court proceeding. By talking things over together, it's possible to come to a timely solution that works well for everyone. The following information describes all you need to know about the program and how it works. Our door is open.

The Nordstrom Dispute Resolution Program was created to help resolve our differences together in a fair and timely manner. It also provides a process that protects your legal rights and allows for the same remedies and relief that would have been available to you had the matter been heard in court.

At Nordstrom, we value the relationship we have with each of our employees. This is one of the main reasons why so few work-related concerns here actually end up in court. However, when they do, the impact on time and resources can be significant. A lawsuit can take years to resolve, consuming resources that could be used more productively by all of us.

This program allows you to receive a final and binding decision\* on certain disputes. You should know that our Dispute Resolution Program does not prevent you from filing a charge with the National Labor Relations Board and certain governmental agencies, such as the Equal Employment Opportunity Commission or your state's human rights commission. And it doesn't prevent you from filing for unemployment insurance benefits.

\*In limited circumstances, an arbitration decision may be challenged as permitted by the Federal Arbitration Act.

### **A Better Way to Resolve Your Concerns**

The Nordstrom Dispute Resolution Program is an example of our commitment to building a strong working relationship with you. The process includes three steps:

Step 1: Open Communication  
Step 2: Internal Review  
Step 3: Arbitration

Your concern may be resolved in just Step 1, or it may involve all three. Steps 1 and 2 apply to both legal and nonlegal claims or disputes. Step 3, however, applies only to claims or disputes that involve a legally protected right.

Please note that you must use the Nordstrom Dispute Resolution Program instead of a court proceeding, including a jury trial, to resolve covered claims against Nordstrom, its officers, directors, shareholders, employees or others that arise from or are in any way connected to your current, past or future employment with Nordstrom.

#### **Step 1: Open Communication**

Talking it over, one-to-one. Often an issue can be resolved simply by talking it over with the person directly involved. Or, you can talk with your department manager, Human Resource manager, Human Resource director, Diversity Affairs director, store manager or regional manager. Remember, whatever the issue, the Nordstrom family is committed to seeing that your concerns are addressed.

#### **Step 2: Internal Review**

Requesting a formal review of your concern. If open communication does not resolve your concern, you may formalize it by filing a *Request for Internal Review*. Your Human Resource director or someone he or she designates will investigate the situation, listen to both sides of the issue and determine possible options for resolving the conflict. Here are the steps to follow:

- Complete a *Request for Internal Review* form. This form is available in your Human Resource office. Turn in the form. Send or deliver the completed form to your Human Resource office
- The Human Resource director or someone he or she designates will investigate your concern. Once a Human Resource director has received your request, he or she (or someone he or she designates) will talk with you and any other appropriate people and look into the situation. Your concern will be investigated promptly, thoroughly and as confidentially as possible. We respect your privacy and will do everything in our power to keep any information about your concern limited to the people involved
- Meet with the Human Resource manager or Human Resource director. After completing the investigation, the Human Resource manager or director will contact you as promptly as possible to discuss the investigation and to offer potential solutions

### **Step 3: Arbitration**

Getting an independent decision-maker involved. If the claim has not been resolved through Steps 1 and 2 of the Nordstrom Dispute Resolution Program, the third step is to use an independent arbitrator instead of a court proceeding, including a jury trial. Arbitration is a process in which a skilled arbitrator hears both sides of the situation and then makes a final and binding decision.

The arbitrator follows procedures for resolution of employment disputes outlined by the American Arbitration Association (AAA), which is a nonprofit organization that administers the arbitration process. (See the enclosed sheet for information specific to your state.) All decisions by the arbitrator are required to be made according to the same principles of law that would control the decision in a court of law. Arbitrators can award the same damages or remedies as a court of law.

### **The Benefits of Talking Openly**

#### **QUICKER RESOLUTION**

If you are comfortable enough to talk directly to the person who is involved or to someone

who may be able to help, you open up the lines of communication. This often results in a simple – and quick – solution.

#### **BETTER RELATIONSHIPS**

By talking things out in an open and honest manner, you may often improve a relationship while resolving your concerns. When each party hears the other's point of view, understanding improves, along with the likelihood of reaching resolution.

### **The Benefits of Arbitration**

#### **FAST RESULTS**

Arbitration is faster and more streamlined than a court proceeding. When a problem is taken to court, it may take years before a final verdict is reached. With arbitration, a decision can typically be made within a few months.

#### **FAIR DECISIONS**

The arbitrator is a fair and neutral expert who specializes in handling these types of disputes. He or she can award the same damages or remedies as a court of law.

### **The Arbitration Process**

#### **START BY COMPLETING A *REQUEST FOR ARBITRATION* FORM**

This form is available in your Human Resource office. Be sure to specifically identify and describe on this form all of your claims and all facts on which you base your claims. Either party has the ability to file special exceptions with the arbitrator on the basis that the form does not provide adequate notice of the claims being asserted, so please be as detailed as possible to prevent this from happening.

Once you have completed the form, follow these simple steps:

- Mail a copy of the *Request for Arbitration* form to the American Arbitration Association (AAA) office for your state. Send the form by certified mail, with return receipt requested
- Send another copy of the form by certified mail, with return receipt requested, to your Human Resource manager
- Keep a third copy of the form for your records

You must submit your request for arbitration within the time frames allowed for such a claim

under the applicable local, state or federal statute of limitations. **If your request for arbitration is not timely, the claim will be time-barred.** If, for any reason, the statute of limitations on your legal claim is about to expire before the first two steps of this Dispute Resolution Program are completed, you should proceed with making your request for arbitration. If Nordstrom requests arbitration, the Company will notify you by certified mail at your last known address on record with us.

**NEXT, CHOOSE AN ARBITRATOR FROM A QUALIFIED LIST**  
Once the American Arbitration Association receives a request, it sends both you and Nordstrom a list of certified arbitrators who make up a select group of employment law or other experts (including former judges and attorneys) who have been trained in this process. You have a choice in this neutral selection process, which follows rules established by the AAA. You may obtain a copy of these rules from your Human Resource office. They are also located on the AAA's Web site at [www.adr.org](http://www.adr.org). Both parties can either agree to an arbitrator from this list or strike arbitrators who are not acceptable to the parties, and rank the remaining arbitrators, as set forth in the AAA's neutral selection process. After each party has made its strikes, the AAA will select the highest-ranked arbitrator from the remaining choices. If the original arbitrator cannot serve for any reason, the AAA will submit a second panel of arbitrators to both you and Nordstrom, utilizing the same process of strikes and rankings.

#### **The Costs of Arbitration**

To use the arbitration process, a filing fee and arbitrator's fee must be paid. The filing fee is an administrative expense charged by the AAA for coordinating the process. The arbitrator's fee is the payment for his or her services. If you initiate the arbitration, your portion of the AAA filing fee will be the lesser of the comparable and applicable state and/or federal court-filing fee applicable to your claims, not to exceed the maximum allowed by AAA rules. Any filing fee must be paid when you submit your request for arbitration. Nordstrom will pay the

remainder of the filing fee, the arbitrator's fee and administrative expenses. The arbitrator's fee will include only reasonable expenses. If you can show that your portion of the filing fee creates an undue hardship, please contact the American Arbitration Association Case Management Center for consideration to have it waived. If the arbitrator finds completely in your favor, Nordstrom will reimburse your portion of the filing fee. If Nordstrom initiates the arbitration (by means other than a motion in court to compel arbitration), you pay no filing fee. In addition to the above filing fee, you are also responsible for paying:

- Your attorney fees, if you choose to have legal representation
- Any costs for witnesses you call (other than Nordstrom employee witnesses)
- Any costs to produce evidence you request, including, but not limited to, deposition costs or discovery requests
- Your costs for a stenographic recording and/or transcript. If a recording is requested, the party making the request pays the cost. If both request a recording, the cost will be shared equally. (For more information, see "A Few Other Things You Should Know About Arbitration")

#### **Each Arbitration Starts with a Preliminary Hearing**

A preliminary hearing gives the arbitrator an opportunity to help resolve procedural problems that may occur prior to the actual arbitration hearing. Working with input from you and Nordstrom, the arbitrator may narrow or clarify the issues, establish a discovery schedule, arrange an acceptable procedure for any motion proceedings or arrange for the earliest and most efficient hearing of the dispute. The arbitrator can also arrange for mediation or grant a motion to dismiss or a motion for summary judgment, as appropriate, that could dispose of all or part of the claims that form the basis of the arbitration. A preliminary hearing may be scheduled by the American Arbitration Association upon request from you, Nordstrom or the AAA.

**Discovery: Both Parties Submit Their Information**

The discovery process will be conducted in accordance with the Employment Arbitration Rules and Mediation Procedures, as published by the AAA.

**The Actual Hearing: A Chance to Tell Your Side of the Story**

The hearing is an opportunity for you and Nordstrom to present testimony, witnesses and documentation about the issues. Unless otherwise agreed upon by all parties, the hearing will be held in the AAA office closest to your work site or another neutral location approved by the arbitrator that is closer to work. The arbitrator conducts the hearing so that all evidence and arguments are presented fully and efficiently.

The arbitrator shall apply the applicable state or federal rules of evidence that would normally apply in a court of law. If you request the arbitration, your information is usually presented first, unless the arbitrator decides to let the Company present first. The person who raises a claim in arbitration shall bear the burden of proof with respect to that claim, and it will be the same burden of proof that exists in a court of law.

**The Arbitrator Makes a Decision**

Based on the evidence presented, the arbitrator will make a final and binding decision\* on all issues involved with every claim presented. The arbitrator's decision will be in writing and include a brief summary of all findings of fact and conclusions of law necessary to support the arbitrator's decision. The arbitrator can award to the winning person(s) the same recovery that they would be entitled to in a court of law. (Such an award will also be subject to the same limitations used by courts of law, such as statutory or constitutional limitations on compensatory and punitive damages.) Unless you and Nordstrom agree otherwise, the arbitrator will make a final and binding decision\* after the hearing. The arbitrator's award can be entered with a court of competent jurisdiction, and the award shall have the same legally binding effect as

if a court had rendered a judgment. The final decision and the arbitration award, if any, shall be made consistent with remedies available under the state or federal statute, common law, code or regulation that is the subject of the claim.

In certain cases, the arbitrator may assess alternate fees and costs against you or Nordstrom. Here are two guidelines to keep in mind. First, the arbitrator may award to you or Nordstrom reasonable attorney fees that may be authorized by law. For example, the arbitrator may assess attorney fees and costs against you or Nordstrom if there is a written agreement that provides for a payment of attorney fees, or if either one makes or maintains a claim that is frivolous, is being presented for an improper purpose or is factually or legally groundless. Second, if you use a method other than arbitration to attempt to resolve a covered claim, such as filing a lawsuit in court, the arbitrator may require you to pay reasonable attorney fees or other expenses that Nordstrom incurs in resolving the situation and obtaining dismissal of your actions. Likewise, Nordstrom can be assessed reasonable attorney fees if the Company fails to use arbitration for resolving a covered claim.

**The Rules of Arbitration**

The arbitrator is authorized only to decide covered claims set forth in the original *Request for Arbitration* form and counterclaim(s), and his or her decision must comply with applicable local, state and/or federal law. The arbitrator shall also not commingle the standards for state law determinations and remedies (for example, negligence claims and special damage awards) with the standards for federal law determinations and remedies that may or may not be subject to these arbitration procedures (for example, ERISA benefit eligibility and ERISA damage awards). The arbitrator is not authorized to modify the powers granted to him or her under this program or to make any award merely on the basis of what he or she determines to be fair or just. The arbitrator's decision will not be used as a precedent for any subsequent cases.

\*In limited circumstances, an arbitration decision may be challenged as permitted by the Federal Arbitration Act.

The arbitrator will follow the AAA's Employment Arbitration Rules and Mediation Procedures. Once appointed, the arbitrator will resolve all disputes about the interpretation and applicability of these rules, including disputes relating to the duties of the arbitrator and the conduct of the arbitration hearing. Procedures not mentioned in this Program or in the AAA rules will be resolved by you and Nordstrom, or by the arbitrator if you and Nordstrom cannot agree. No information used during the arbitration proceeding, including written submissions, arguments or testimony, may be used as the basis of a defamation or slander claim.

#### **A Few Other Things You Should Know About Arbitration**

##### **HIRING AN ATTORNEY**

Both you and Nordstrom may have an attorney (or other representative) present during the prearbitration procedures and the arbitration hearing. However, except as otherwise provided in this Dispute Resolution Program, each party is responsible for paying their own attorney's fees.

##### **RECORDING THE HEARING**

The hearing will not be recorded by a stenographer (or other means) unless requested by you or Nordstrom. If a recording is requested, the party making the request pays the cost. If both request a recording, the cost will be shared equally.

##### **FAILING TO ATTEND**

If you or Nordstrom fail to attend a scheduled hearing without good cause, as defined by the arbitrator, any claim brought by the party failing to attend will be dismissed and cannot be pursued further.

##### **CONFIDENTIALITY**

Neither you nor Nordstrom may publicly disclose the terms of any award unless:

- Agreed to in writing by the other party, or
- Pursuant to court order or subpoena, or
- Required by law, such as communication to the Internal Revenue Service, or

- Necessary to enforce or collect on the arbitration decision or award in a filing with a court of competent jurisdiction

Both you and Nordstrom shall have 15 days to satisfy any award issued by an arbitrator after the award becomes final, and neither may file an action to enforce or collect the award unless the opposing party fails to satisfy within this time frame.

#### **Federal Arbitration Act**

Nordstrom is engaged in interstate commerce (for example, purchasing and selling goods and services across state lines and operating stores in multiple states), which includes your employment. The Federal Arbitration Act compels the arbitration of all covered claims and governs the interpretation and enforcement of the *Employee Acknowledgment and Agreement Form*, the Nordstrom Dispute Resolution Program materials and the arbitration proceedings. An arbitrator's decision can be challenged in a federal court of law only on such basis as is available under the Federal Arbitration Act.

#### **If You Are Under the Age of 18 (and Not Emancipated)**

We recognize that your parents or legal guardian may be involved in your decision to work for us. They should be aware of this program and how it affects you. It is your responsibility to make sure they read this information so that they also understand our Dispute Resolution Program. A parent's or guardian's signature, as well as yours, is required on all forms.

#### **Transfers and Separations from Employment**

If you transfer to another Nordstrom location or your employment with Nordstrom ends, the Dispute Resolution Program still applies to you for any dispute that arose in connection with your employment.

#### **Covered and Noncovered Claims**

For details regarding what claims are covered in your state, see the included state information sheet.

**This Program and Your Employment**

The Dispute Resolution Program and materials do not in any way alter the at-will status of our employment relationship. In all cases, both you and Nordstrom reserve the right to terminate the employment relationship at any time, without notice, with or without reason.

**About the Dispute Resolution Program Materials**

The information contained in the Dispute Resolution Program section of this booklet along with your enclosed state information sheet is a complete explanation of the Nordstrom Dispute Resolution Program and replaces any other verbal or written understanding. In the event that a discrepancy exists between the Nordstrom Dispute Resolution Program materials and the *Employee Acknowledgment and Agreement*

*Form*, the Program materials are binding. If any part of the Nordstrom Dispute Resolution Program or subsequent modification of the program is found by a court to be void or unenforceable, the remaining parts of the program will remain in full force and effect. From time to time, it may be necessary to make changes to the program materials to comply with changes in the law. Nordstrom will provide 30 days written notice of substantive changes. This notice is to allow employees time to consider the changes and decide whether or not to continue employment subject to the changes. Nordstrom also reserves the right to make non-substantive changes to this program at any time. Changes to or termination of this program will not affect existing claims that are already engaged in steps 2 and 3 of this program.



# Employee Acknowledgment and Agreement Form

## Receipt of Employee Materials

By signing below, I acknowledge and agree that I have received and reviewed my Employee Materials, which are intended to provide me with helpful information about Nordstrom. I have read, agree to and will abide by the guidelines and information in the Employee Materials, including, but not limited to, the Anti-harassment Guidelines, No Violence in the Workplace Guidelines, No Drugs and Alcohol Guidelines, Confidentiality and Nondisclosure Expectations, Technology Use Expectations, Recording Work Hours, and Call Monitoring and Recording Guidelines. I agree that the Nordstrom employee guidelines and policies contained in the materials do not constitute a contract for continued employment, or employment for a specified duration, between Nordstrom and myself; and I agree that nothing in my Employee Materials modifies the at-will employment agreement included in my Nordstrom Application for Employment, which sets forth the final agreement relating to this issue.

## Nordstrom Dispute Resolution Program

I acknowledge that I have received a copy of the Nordstrom Dispute Resolution Program. My signature below confirms that (a) I understand I may consult an attorney before signing this *Employee Acknowledgment and Agreement Form*; (b) I understand and agree to the terms of the Program; (c) I understand and agree that my agreement to the terms of the Program survives the termination of my employment; and (d) I understand the Program includes the arbitration of covered claims and as such, waives my right to resolve covered claims in a court proceeding, and instead, requires arbitration of these claims.

I further acknowledge and agree that the Program constitutes the entire agreement between Nordstrom and myself regarding the resolution of covered claims and supersedes any prior oral or written agreement or representation regarding the resolution of covered claims. I further understand and agree that the Program cannot be modified by any oral agreement or representation but can be modified only in writing.

Lastly, I understand and agree that nothing in this *Employee Acknowledgment and Agreement Form* or in the Program alters my at-will employment relationship with Nordstrom.

---

 PRINTED NAME

---

 EMPLOYEE NUMBER

---

 EMPLOYEE SIGNATURE

---

 DATE

*If you are under the age of 18 (and are unemancipated), your parent or legal guardian must also sign below.*

---

 PARENT/LEGAL GUARDIAN NAME (PLEASE PRINT)

---

 PARENT/LEGAL GUARDIAN SIGNATURE

---

 DATE

**PLEASE KEEP A COPY FOR YOUR RECORDS.**

NORDSTROM

**The only an equal opportunity employer committed to providing a diverse environment.**



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## Exhibit 2

# Nordstrom Dispute Resolution Program

## Important Information for California Employees

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### The American Arbitration Association (AAA)

The Nordstrom Dispute Resolution Program uses arbitrators from the AAA, which administers the arbitration process.

The American Arbitration Association was founded in 1926 to assist individuals and companies in solving problems outside the courtroom. It is a nonprofit organization that is dedicated to providing quality, objective service in settling disputes through mediation and arbitration. The AAA has no connection with Nordstrom. It is a completely independent organization that administers over 200,000 claims a year, both in the United States and internationally. The AAA is considered a leading resource in administering fair, cost-effective resolution of work-related disputes.

### The Arbitrators

The AAA can call upon thousands of arbitrators to serve as employment-dispute arbitrators. These individuals come from a variety of industries and educational backgrounds and have no relationship to Nordstrom or its representatives. The arbitrator selected cannot have any personal or financial interest in the dispute. Before accepting an appointment, the arbitrator must disclose to the AAA any information that may prevent a prompt hearing or create an appearance of bias. If any such information is presented to the AAA, it will communicate that information to you and Nordstrom. Depending on the way you and Nordstrom respond, the AAA may disqualify that individual.

### Claims Covered

You must use the Nordstrom Dispute Resolution Program instead of a court proceeding, including a jury trial, to resolve covered claims against Nordstrom, its officers, directors, shareholders, employees or others in their personal or official capacity that arise from or are in any way connected with your current or future employment. Likewise, Nordstrom must also use the Dispute Resolution Program instead of a court proceeding to resolve covered claims against you that arise from or are in any way connected with your current or future employment.

Unless Nordstrom and you otherwise agree to it in writing, the Dispute Resolution Program covers the following legally protected rights:

- Claims of harassment (including, but not limited to, sexual harassment); discrimination (including, but not limited to, claims based on race, sex, sexual orientation, marital status, religion, national origin, veteran status, age, pregnancy, leave of absence, medical condition, handicap or disability); or retaliation, whether such claims arise under Title VII of the Civil Rights Act of 1964, the Americans with Disabilities Act, the Age Discrimination in Employment Act, the Family and Medical Leave Act, the Equal Pay Act, the Pregnancy Discrimination Act, the Uniformed Services Employment and Reemployment Rights Act, the California Fair Employment and Housing Act or other applicable laws.
- Any claim for wages or other compensation, including claims for unpaid wages or claims to recover an overpayment of wages due under the Fair Labor Standards Act, the Equal Pay Act and California Labor Code or under any California Wage Order.
- Claims for breach of any contract, covenant or warranty (express or implied) or promissory estoppel.
- Claims for other damage to person or property, including, but not limited to, claims that you damaged or defaced Nordstrom property and claims for any form of tort for physical or psychological injury, such as assault, battery, negligent hiring/training/supervision/retention, invasion of privacy, false light, misrepresentation, emotional distress, defamation, slander and libel, whether allegedly caused by negligence, gross negligence or an intentional act.
- Claims for discharge in violation of common law, statute, regulation or ordinance (wrongful termination), including, but not limited to, retaliatory discharge claims and any statutory whistle-blower claims such as claims under the Sarbanes-Oxley Act.
- Claims for violation of any other noncriminal federal, state or other governmental common law, statute, regulation or ordinance,

regardless of whether the common-law doctrine was recognized or whether the statute, regulation or ordinance was enacted before or after the effective date of this program, including, but not limited to, the Federal Occupational Safety and Health Act, the Employee Polygraph Protection Act, the Immigration Reform and Control Act, the Worker Adjustment and Retraining Notification Act, the Family and Medical Leave Act, 42 U.S.C. Sections 1981 and 1983, the California Pregnancy Leave Act, the California Family Rights Act, and any other claim brought under California's Business and Professional Code or California public policy.

This program also covers any such claims that are brought by your representative, parents, guardians, assigns, beneficiaries, spouse, children or heirs.

### Claims Not Covered

- Any criminal complaint or proceeding filed by a government agency.
- Restitution by an employee for a criminal act for which he or she has been found guilty or has pleaded guilty or no contest, or if the criminal proceedings have been resolved by deferred adjudication.
- Claims for benefits or other claims for relief under any employee benefit plan sponsored by Nordstrom and covered by the Employee Retirement Income Security Act of 1974 or funded by insurance.
- Claims for unemployment insurance benefits and workers' compensation benefits.

Your right to file a charge with the National Labor Relations Board and certain governmental agencies, such as the Equal Employment Opportunity Commission or your state's human rights commission, is not prohibited by the Dispute Resolution Program.

Claims not covered by the Nordstrom Dispute Resolution Program cannot be submitted to arbitration, unless agreed upon by you and Nordstrom. If necessary, the arbitrator will determine whether any particular claim or person is subject to the Dispute Resolution Program.

### AAA Contact Information

American Arbitration Association  
Case Management Center  
6795 N. Palm Avenue, Floor 2  
Fresno, CA 93704  
Phone: 1.877.528.0880  
Fax: 1.559.490.1919  
Web site: adr.org

**NORDSTROM**  
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